

The Legislative Budget Process

January 11, 2005

JLBC Staff

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Major Steps in the Budget Process

The state's **fiscal year** (FY) runs from July 1st of one year to June 30th of the next year. The current FY 2005 began on July 1, 2004.

During the 2005 session, the Legislature will consider FY 2006 funding for all budget units, as well as FY 2007 funding for selected budget units.

During the 2006 session, the Legislature may consider supplemental adjustments to the approved FY 2006 and FY 2007 budgets. It will also consider FY 2007 budgets for those budget units that do not receive a FY 2007 budget in the 2005 session.

Prior to Session - Development of Budget Recommendations

- Work on the FY 2006 and FY 2007 budgets began when the Governor issued budget development guidelines to the agencies in the summer of 2004. The Governor directed agencies to request additional funding for caseload changes in entitlement programs, fulfilling statutory funding formulas, new state or federal unfunded mandates, and base adjustments such as rent or other contractual obligations.
- As required by law, state agencies submitted their operating budget requests to the Governor's Office of Strategic Planning and Budgeting (OSPB) by September 1, 2004. (An extension of up to 30 days may be requested and approved.)
- OSPB sends a copy of each agency's budget request to the staff of the Joint Legislative Budget Committee (JLBC). This procedure negates the need for the agency to complete two separate budget requests -- one for OSPB and one for JLBC.
- The JLBC and OSPB staffs analyze the agency budget requests. Each office develops a revenue estimate for the upcoming fiscal year. At the beginning of the legislative session, both JLBC and OSPB provide spending estimates and proposals for the upcoming budget. The Governor provides the policy direction for the Executive budget while the Appropriations Chairmen determine the primary spending parameters of the JLBC budget.

The Major Components of the Legislative Budget Process

- The Appropriations Committees of the House of Representatives and the Senate have oversight of the budget. For the 47th Legislature, there are two House Appropriations Committees. The 117 state agencies are split between these two committees in broad policy areas.
- The budget is developed through a process which includes public hearings, committee deliberations, and caucus deliberations.

Public Hearings/Legislative Action

- Generally during the first week of the session, the JLBC Staff will brief the Appropriations Committees on the JLBC Budget. The Staff will also compare and contrast the JLBC Budget to the Governor's.
- During the first six weeks of the session, agencies receive a public hearing on their budget. Smaller agencies, particularly “90/10” regulatory agencies without General Fund appropriations, may be placed on a consent agenda to receive the JLBC recommendation. Appropriation Committee members may request that an agency be withdrawn from the consent agenda to have a public hearing.
- Upon completion of committee and caucus deliberations, the full House and Senate will consider the General Appropriation Bill.

Budget Legislation

The General Appropriation Act

- The main budget legislation, sometimes referred to as the “Feed Bill,” includes funding levels, full-time equivalent (FTE) positions, footnotes, performance measures, statutory revisions, and a budget format for each state agency. The JLBC Staff works with Legislative Council in drafting this legislation.

The Supplemental Appropriation Act

- If it is necessary to adjust the budget that was adopted in the prior year, those adjustments are reflected in the **Supplemental Appropriation Act**. This bill typically amends the previous General Appropriation Act.

The Capital Outlay Bill

- A second element of the overall budget is the **Capital Outlay Bill**, which funds the construction and major maintenance and repair of state facilities.
- While the capital outlay process is somewhat similar to the development of the maintenance and operation budget, there are some differences. The primary difference involves the time frames for submitting budget requests:
 - agencies under the Arizona Department of Administration building system are required to submit their capital budget requests to ADOA by June 1 of each year or 30 days after the legislature adjourns, whichever is later.
 - agencies under the Board of Regents building system shall submit their capital budget requests to the Board of Regents by August 1 of each year.
 - The agency responsible for each building system shall submit a state Capital Improvement Plan to the Governor no later than October 15 of each year.

Other Bills

- The Appropriations Committees will also consider **Budget Reconciliation Bills (BRBs)**. BRBs represent changes in law that are necessary to implement the budget.
- If new programs are created, the necessary appropriations are often included in the separate legislation authorizing the program.

The Budget Books

The starting point of the Appropriations Committees' deliberations is the JLBC and Executive budget recommendations. Each member will have copies of the **JLBC Budget Book** and **Comparison Book**, which serve as workbooks for the committee members to assist them in their deliberations.

JLBC Budget Book

This book provides a detailed budget for each of the 117 state budget units, including a table of the budget estimates and a narrative explanation of the changes from the prior year.

The presentation for smaller state agencies usually consists of a single budget table and narrative explanation. Larger agencies are often divided into **cost centers**, which are comprised of various budget programs, each with their own budget table and narrative.

The Budget Table

- **Column Headings** Each agency's budget table will provide the following four columns of information:
 - Prior Year Actual Expenditures
 - Current Year Appropriations
 - FY 2006 JLBC Estimate
 - FY 2007 JLBC Estimate (if biennial budget)
- **Program Budget** This section of the table summarizes the budget information according to the agency's programs. It allows the reader to see expenditure amounts for each of the agency's various functions.
- **Standard Line Items** The table includes the following standard line items of an agency's budget. *(See Attachment A for sample **Budget Book** tables and narratives and Attachment C for a one-page summary of these definitions.)*
 - **Full Time Equivalent (FTE) Positions** - The number of authorized positions on a full time equivalent basis. For example, 1 full time employee equals 1 FTE Position, as do 2 part-time employees each working 20 hours per week.
 - **Personal Services** - Salaries of FTE Positions. Also includes per diem for board and commission members.
 - **Employee Related Expenditures (ERE)** - Represents the cost of employee benefits, including Federal Insurance Contribution Act (FICA) social security and Medicare taxes, the employer share of retirement and health/dental/life insurance, workers' compensation and unemployment insurance premiums, Personnel Division, Information Technology, and Retiree Sick Leave charges and uniforms for certain classes of employees.

- **Professional and Outside Services (P&O)** - Funds the purchase of contracted services from either another state agency or a private entity. For example, P&O includes an agency's cost to purchase items such as 1) data processing services from the Department of Administration, 2) legal services from the Attorney General or the private sector, 3) medical services for state facilities, and 4) private consultants.
- **Travel-In State** - Funds the cost of state employees' travel while on official business inside the state. This category includes 1) reimbursement for mileage driven in privately-owned vehicles, 2) lodging, 3) per diem for meals and incidental allowances, and 4) public transportation costs.
- **Travel-Out of State** - Funds the cost of state employees' travel while on official business outside of the state.
- **Other Operating Expenditures (OOE)** - Represents other costs of operating a state agency including rent and supplies. **Risk management** is the charge assessed by the Department of Administration to insure the state against the risk of loss as the result of actions by an employee acting on behalf of the state.
- **Food** - Funds the cost of providing meals to residents of state facilities.
- **Equipment** - Funds the cost of purchasing any new equipment.
- **Operating Subtotal** - Represents the cumulative total of the Personal Services through Equipment line items. This amount equals the **direct operating** costs of a state agency. These line items are also called "**above the line**" expenditures.
- **Special Line Items** - Generally represents funds granted to entities or individuals outside of state government. Examples include Basic State Education Aid payments to school districts and payments to AHCCCS health care providers. The Appropriations Committees may also want to create a special line item to highlight a particular direct operating expense of an agency. Special line items are also known as "**below the line**" expenditures, meaning that they are displayed "below" the operating subtotal for the agency.
- **Agency Total** - Represents the total amount of appropriated funds for the agency.
- **Fund Source** - This section displays the source of funds for the Agency Total -- either **General Fund** or **Other Appropriated Funds** by fund name. The primary revenue sources of the state -- sales, income, and property taxes -- are not earmarked for a special purpose and are therefore deposited into a General Fund, which may be used for any purpose. Other revenues, however, are dedicated for a specific purpose and are set aside in a special fund upon collection.

In addition, this section also lists the Federal and other non-appropriated funds received by the agency. The Legislature does not usually appropriate expenditures from these latter two sources of funds, but members should be aware of these monies when determining the level

of appropriated dollars. (The figures are only provided at the agency level, not for individual cost centers.) The JLBC Staff provides further detail on this subject in a **Summary of Funds** section at the end of the JLBC analysis for the agency. For multiple cost center agencies, the Summary of Funds section is at the end of the Agency Summary.

- **Changes in Funding Summary** - This section provides the total dollar and percentage change in the agency's FY 2006 and (if applicable) FY 2007 budget above or below the FY 2005 appropriation for both General Funds and Other Appropriated Funds. It also shows the total increase or decrease over the biennium.
- **Agency Description** - This section describes the agency's main functions and responsibilities.
- **Performance Measures** - As a part of program budgeting, agencies are required to track their performance on several program indicators. This section provides the key measures for each agency or cost center. The measures are intended to display the agency's responsibilities, performance, and effectiveness. For the small regulatory "90/10" agencies, a common set of measures was used, given their similar inspection and regulation functions.

Actual data is recorded for FY 2003 and FY 2004. These numbers are shown next to the target set by the Legislature in the General Appropriation Act. The FY 2005 estimate was also set by the Legislature in the General Appropriation Act. The FY 2006 target also applies to FY 2007 if the agency is recommended to receive a biennial budget.

Narrative Explanation of the Staff Recommendation

The **JLBC Budget** book includes a narrative description of proposed changes to FY 2006 and FY 2007 above or below the FY 2005 appropriation. Also, any recommended supplemental adjustments to the FY 2005 appropriation are discussed. The following types of issues are considered:

- **Standard Changes** - Each agency will have as their first issue a "Standard Changes" bullet which provide a General Fund and Other Appropriated Fund total change for the following issues:
 - **ERE Rates** - The FY 2006 and FY 2007 recommendations are adjusted for Employee Related Expenditure rate changes. Individual agency recommendations do not include adjustments for retirement rate changes and health/dental insurance changes as these are displayed elsewhere as statewide lump sum amounts.
 - **Risk Management** - Represents changes in the charges assessed by the Department of Administration to insure the state against the risk of loss as the result of actions by an employee acting on behalf of the state.

General Fund monies are not added for increases in Standard Changes.

- **Policy Issues** - Beyond standard changes, we may recommend funding changes for the following types of policy issues:

- **Statutory/Formula Changes** - Includes growth in the eligible population for “entitlements” - programs in which an agency is required, by either state or federal law, to serve all eligible persons. For example, state law guarantees that qualifying school districts will receive additional funding for new students.
- **Other Issues** - The JLBC Staff will also recommend non-General Fund policy issues, which represent either an enhancement or reduction to existing programs.
- **JLBC Recommended Format and Footnotes** - Policy issues are followed by the proposed budget format and General Appropriation Act footnotes, both of which are described in the next section.
- **JLBC Recommended Statutory Changes** - This section summarizes any statutory changes needed to implement the JLBC Budget. These changes are compiled into a series of bills called Budget Reconciliation Bills (BRBs).
- **Other Issues for Legislative Consideration** - The final narrative section may include a discussion of FY 2005 supplementals or any other issue of legislative importance not discussed in the preceding narrative.

Comparison Book

This book provides comparisons between the JLBC and Executive recommendations and is released several weeks after the main budget book. In addition to possible supplemental graphs and tables, each agency section will include the following three documents. Sample documents can be found in *Attachment B*.

Comparison of Policy Issues

The Comparison of Policy Issue sheets provide brief descriptions of the policy issues in both the JLBC and Executive recommendation.

Budget Detail Table

The detailed recommendation table provides FY 2005 current-year appropriations along with JLBC’s and the Executive’s FY 2006 (and FY 2007 if applicable) recommendations for the budget. The table provides detail by line item as well as by fund source.

Total Funds graph

The Total Funds graph provides actual Total Fund spending for FY 2002 through FY 2004, as well as FY 2005 estimates (based on the FY 2005 appropriation) and FY 2006 JLBC estimates.

Elements of Committee Motions

In developing budget recommendations, otherwise known as “adopting” a budget, the Legislature must make decisions on the following items:

- Number of FTE Positions
- Funding Level for each Agency/Program by year
- Budget Format
- Footnotes
- Statutory Changes
- Performance Measures

1) Number of FTE Positions

2) Funding Level for each Agency/Program by year

- 3) **Budget Format** - The format will govern how an agency’s appropriation will appear in the General Appropriation Bill. A less detailed format will provide an agency with more discretion in implementing the budget at the expense of legislative oversight for that agency. Conversely, a more detailed format may require an agency to use formal processes for redirecting appropriated funds to a purpose different from that originally intended by the Legislature.

Among the choices are:

Lump Sum by Agency - This appropriation consists of a single dollar amount, thereby allowing the agency to shift funds among line items and programs without further legislative review. The General Appropriation Bill will list one dollar amount for the agency. The agency may spend that amount on any item in the agency, but must seek approval of the Department of Administration before moving any funds into or out of any Special Line Items. In the General Appropriation Bill, the agency’s budget would appear as follows:

Agency X	
FTE Positions	3.0
Lump sum appropriation	\$100,000

Within this format, the committee will need to determine whether Special Line Items (funds generally granted to entities or individuals outside of state government, or which merit special attention) will be included in the Lump Sum or listed separately.

Modified Lump Sum - This appropriation consists of at least 3 lines: Personal Services, Employee Related Expenditures, and All Other Operating Expenditures. Any Special Line Items would be listed separately. Under this format, an agency must seek approval of the Joint Legislative Budget Committee before moving any funds into or out of the Personal Services or ERE line items (A.R.S. § 35-173(e)), or Department of Administration approval before moving any funds between any other lines (e.g., All Other Operating Expenditures and Special Line Items). In the General Appropriation Bill, the agency’s budget would appear as follows:

Agency X

FTE Positions	3.0
Personal Services	\$ 60,000
Employee Related Expenditures	15,000
All Other Operating Expenditures	20,000
Local Grants	<u>5,000</u>
Total – Agency X	\$100,000

Detailed Line Item - This appropriation consists of each line item listed in the **JLBC Budget** book, including Personal Services, Employee Related Expenditures, Professional and Outside Services, Travel, Other Operating Expenditures, and Equipment. Any Special Line Items would be listed separately. While the same rules govern Personal Services/ERE transfers as noted in the Modified Lump Sum description, detailed line item appropriation requires the agency to seek Department of Administration approval before transferring monies between any other line items. In the General Appropriation Act, the agency's budget would appear as follows:

Agency X	
FTE Positions	3.0
Personal Services	\$60,000
Employee Related Expenditures	15,000
Professional and Outside Services	3,000
Travel - In State	7,500
Travel - Out of State	2,500
Other Operating Expenditures	5,000
Equipment	2,000
Local Grants	<u>5,000</u>
Total – Agency X	\$100,000

Special Line Items - For all budget formats, the Committee may designate Special Line Items. These are expenditure items outside of the regular agency or program operating budget, which the Committee wishes to highlight. If a Special Line Item is designated, it will be added to the end of the budget format. Agencies must seek Department of Administration approval before shifting Special Line Item monies to agency or program operating expenses.

- 4) **Footnotes** - These narrative statements in the General Appropriation Bill establish conditions for expenditures, reporting requirements and legislative intent. A footnote, however, cannot be used to modify an existing program's authorizing law.
- 5) **Statutory Changes** - The committee may recommend statutory changes for purposes of implementing its budget recommendations. These changes are compiled into a series of bills called Budget Reconciliation Bills (BRBs).
- 6) **Performance Measures** - These measures will be included in the General Appropriation Bill and reflect legislative targets for the agency.

The JLBC Staff will assist any member in developing a **motion sheet** for adoption of the budget. The Staff will ensure that changes are technically correct and properly implemented into the budget motion. (*See Attachment D for a sample motion sheet.*)

Attachment A

Sample JLBC Budget Book Page

Arizona Pioneers' Home

JLBC: Kimberly Chelberg
OSP: Antonio Hardeman

DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC	FY 2007 JLBC
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	115.8	115.8	115.8	115.8
Personal Services	2,993,300	3,267,400	3,267,400	3,267,400
Employee Related Expenditures	916,100	1,144,300	1,052,700	1,052,700
Professional and Outside Services	113,300	129,300	129,300	129,300
Travel - In State	23,800	25,000	25,000	25,000
Travel - Out of State	308,000	0	0	0
Other Operating Expenditures	607,600	474,700	454,400	454,400
Food	178,300	202,200	202,200	202,200
Equipment	31,900	12,000	12,000	12,000
OPERATING SUBTOTAL	5,172,300	5,254,900	5,143,000	5,143,000
SPECIAL LINE ITEMS				
Prescription Drugs	343,200	436,400	436,400	436,400
AGENCY TOTAL	5,515,500	5,691,300	5,579,400	5,579,400
FUND SOURCES				
General Fund	3,642,500	3,257,500	0	0
<u>Other Appropriated Funds</u>				
Miners' Hospital Fund	1,327,100	1,468,900	1,357,000	1,357,000
State Charitable Fund	545,900	964,900	4,222,400	4,222,400
SUBTOTAL - Other Appropriated Funds	1,873,000	2,433,800	5,579,400	5,579,400
SUBTOTAL - Appropriated Funds	5,515,500	5,691,300	5,579,400	5,579,400
Other Non-Appropriated Funds	7,900	10,000	10,000	10,000
TOTAL - ALL SOURCES	5,523,400	5,701,300	5,589,400	5,589,400

CHANGE IN FUNDING SUMMARY	FY 2005 to FY 2006 JLBC		FY 2005 to FY 2007 JLBC	
	\$ Change	% Change	\$ Change	% Change
General Fund	(3,257,500)	(100.0%)	(3,257,500)	(100.0%)
Other Appropriated Funds	3,145,600	129.2%	3,145,600	129.2%
Total Appropriated Funds	(111,900)	(2.0%)	(111,900)	(2.0%)
Non Appropriated Funds	0	0.0%	0	0.0%
Total - All Sources	(111,900)	(2.0%)	(111,900)	(2.0%)

AGENCY DESCRIPTION — The Arizona Pioneers' Home provides a home and long-term nursing care and medical care for Arizona pioneers, long-time residents and disabled miners. The Home, on average, cares for 120 residents.

PERFORMANCE MEASURES	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 JLBC
• % of residents rating services as "good" or "excellent"	98	98	98	98
• Monthly cost per resident	\$3,615	\$3,615	\$3,615	--
• Average monthly payment per resident	\$625	\$602	\$650	--
• % of agency staff turnover	NA	26	16	--
• Administration as a % of total cost	5.7	5.7	4.3	--

Comments: The agency did not submit information for any measure labeled as "NA."

RECOMMENDED CHANGES FROM FY 2005

Operating Budget

The JLBC recommends \$5,143,000 for the operating budget in FY 2006 and FY 2007. These amounts consist of:

	<u>FY 2006</u>	<u>FY 2007</u>
Miners' Hospital Fund	\$1,357,000	\$1,357,000
State Charitable Fund	3,786,000	3,786,000

Standard Changes OF (111,900) (111,900)

The JLBC recommends a decrease of \$(111,900) from the Miners' Hospital Fund in FY 2006 and FY 2007 for standard changes.

Fund Shift GF (3,257,500) (3,257,500) OF 3,257,500 3,257,500

The JLBC recommends a decrease of \$(3,257,500) and (92.8) FTE Positions from the General Fund and a corresponding increase of \$3,257,500 and 92.8 FTE positions from the State Charitable Fund in FY 2006 and FY 2007 due to accruing interest payments in the State Charitable Fund. Due to a recent sale of property, the State Charitable Fund accrued \$268,500 in FY 2004 and is expected to accrue approximately \$3,000,000 in revenue for FY 2005 and for each additional year until 2010.

Special Line Items

Prescription Drugs

The JLBC recommends \$436,400 from the State Charitable Fund for Prescription Drugs in FY 2006 and FY 2007. These amounts are unchanged from FY 2005. Monies in this Special Line Item provide funding for prescription drugs used by residents at the Pioneers' Home.

* * *

JLBC RECOMMENDED FORMAT — Detailed Line Item by Agency

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

In addition to the amounts appropriated, earnings on state lands and interest on the investment of the Permanent Land Funds are appropriated for the Pioneers' Home and the Hospital for Disabled Miners in compliance with the Enabling Act and the Constitution of Arizona.

The Pioneers' Home shall not exceed its expenditure authority for monies appropriated from the Miners' Hospital for the Disabled Miners' Land Fund.

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
IGA & ISA Fund (PIA2500/A.R.S. § 41-921)		Non-Appropriated
Source of Revenue: Intergovernmental agreements between the Pioneers' Home and other state and local entities.		
Purpose of Fund: To be used as specified in the grant or agreement.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Miners' Hospital (PIA3130/A.R.S. § 37-525)		Appropriated
Source of Revenue: Interest on the Miners' Hospital Fund as established through Arizona's Enabling Act, Section 25 and monies derived from the rental of these lands and property.		
Purpose of Fund: To provide a continuous source of funds to benefit the Arizona Pioneers' Home.		
Funds Expended - Capital	199,600	47,600
Funds Expended - Operating	1,327,100	1,468,900
Year-End Fund Balance	656,800	519,600
Pioneers' Home Fund (Donations) (PIA3143/A.R.S. § 41-926)		Non-Appropriated
Source of Revenue: Donations or contributions from private sources.		
Purpose of Fund: To defray expenses or work conducted by the Arizona Pioneers' Home in serving its clientele.		
Funds Expended	1,200	3,000
Year-End Fund Balance	27,600	47,800

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
State Charitable (PIA3129/A.R.S. § 37-525)		Appropriated
Source of Revenue: Earnings on state lands and interest on the investment of the Permanent Land Fund.		
Purpose of Fund: For the operation of state charitable institutions.		
Funds Expended	545,900	964,900
Year-End Fund Balance	1,058,900	661,800
Statewide Employee Recognition Gifts (PIA2449/A.R.S. § 41-776)		Non-Appropriated
Source of Revenue: Donations, gifts, or contributions from public or private sources.		
Purpose of Fund: For the conduct of employee recognition programs.		
Funds Expended	6,700	7,000
Year-End Fund Balance	6,900	8,900

Attachment B

Sample JLBC Budget Book 2 Pages

ARIZONA PIONEERS' HOME
JLBC - Executive Comparison

	JLBC	EXECUTIVE
Total Appropriations (Pg. 368)	<u>FY 2006</u> <ul style="list-style-type: none"> • \$0 GF • \$5.6 M OF • \$(3.3) M GF below FY 2005 • \$3.1 M OF above FY 2005 <u>FY 2007</u> <ul style="list-style-type: none"> • \$0 M GF • \$5.6 M OF • \$(3.3) M GF below FY 2005 • \$3.1 M OF above FY 2005 	
Fund Shift (Pg. 369)	<ul style="list-style-type: none"> • Shift \$(3.3) M of GF funding to the State Charitable Fund • Would utilize interest payments accrued in the State Charitable Fund from property sale 	
Technical (Pg. 369)	<ul style="list-style-type: none"> • \$(111,900) OF for standard changes 	

Arizona Pioneers' Home

	FY 2005 ESTIMATE				FY 2006 OSPB		FY 2006 JLBC			
	General Fund	Other Funds	Non-Appropriated	Total	General Fund	Other Funds	General Fund	Other Funds	Non-Appropriated	Total
OPERATING BUDGET										
<i>Full Time Equivalent Positions</i>	92.8	23.0	0.0	115.8	0.0	0.0	0.0	115.8	0.0	115.8
Personal Services	2,322,300	945,100	0	3,267,400	0	0	0	3,267,400	0	3,267,400
Employee Related Expenditures	760,300	384,000	0	1,144,300	0	0	0	1,052,700	0	1,052,700
Professional and Outside Services	0	129,300	0	129,300	0	0	0	129,300	0	129,300
Travel - In State	0	25,000	0	25,000	0	0	0	25,000	0	25,000
Other Operating Expenditures	174,900	299,800	10,000	484,700	0	0	0	454,400	10,000	464,400
Food	0	202,200	0	202,200	0	0	0	202,200	0	202,200
Equipment	0	12,000	0	12,000	0	0	0	12,000	0	12,000
OPERATING SUBTOTAL	3,257,500	1,997,400	10,000	5,264,900	0	0	0	5,143,000	10,000	5,153,000
SPECIAL LINE ITEMS										
Prescription Drugs	0	436,400	0	436,400	0	0	0	436,400	0	436,400
AGENCY TOTAL	3,257,500	2,433,800	10,000	5,701,300	0	0	0	5,579,400	10,000	5,589,400
<hr/>										
FUND SOURCES										
General Fund	3,257,500			3,257,500	0		0			0
<u>Other Appropriated Funds</u>										
Miners' Hospital Fund		1,468,900		1,468,900		0		1,357,000		1,357,000
State Charitable Fund		964,900		964,900		0		4,222,400		4,222,400
SUBTOTAL - Other Appropriated Funds		2,433,800		2,433,800		0		5,579,400		5,579,400
SUBTOTAL - Appropriated Funds				5,691,300		0				5,579,400
<u>Other Non-Appropriated Funds</u>										
Pioneers' Home Fund (Donations)			3,000	3,000					3,000	3,000
Statewide Employee Recognition Gifts Fund			7,000	7,000					7,000	7,000
SUBTOTAL - Other Non-Appropriated Funds			10,000	10,000					10,000	10,000
TOTAL - ALL SOURCES				5,701,300						5,589,400

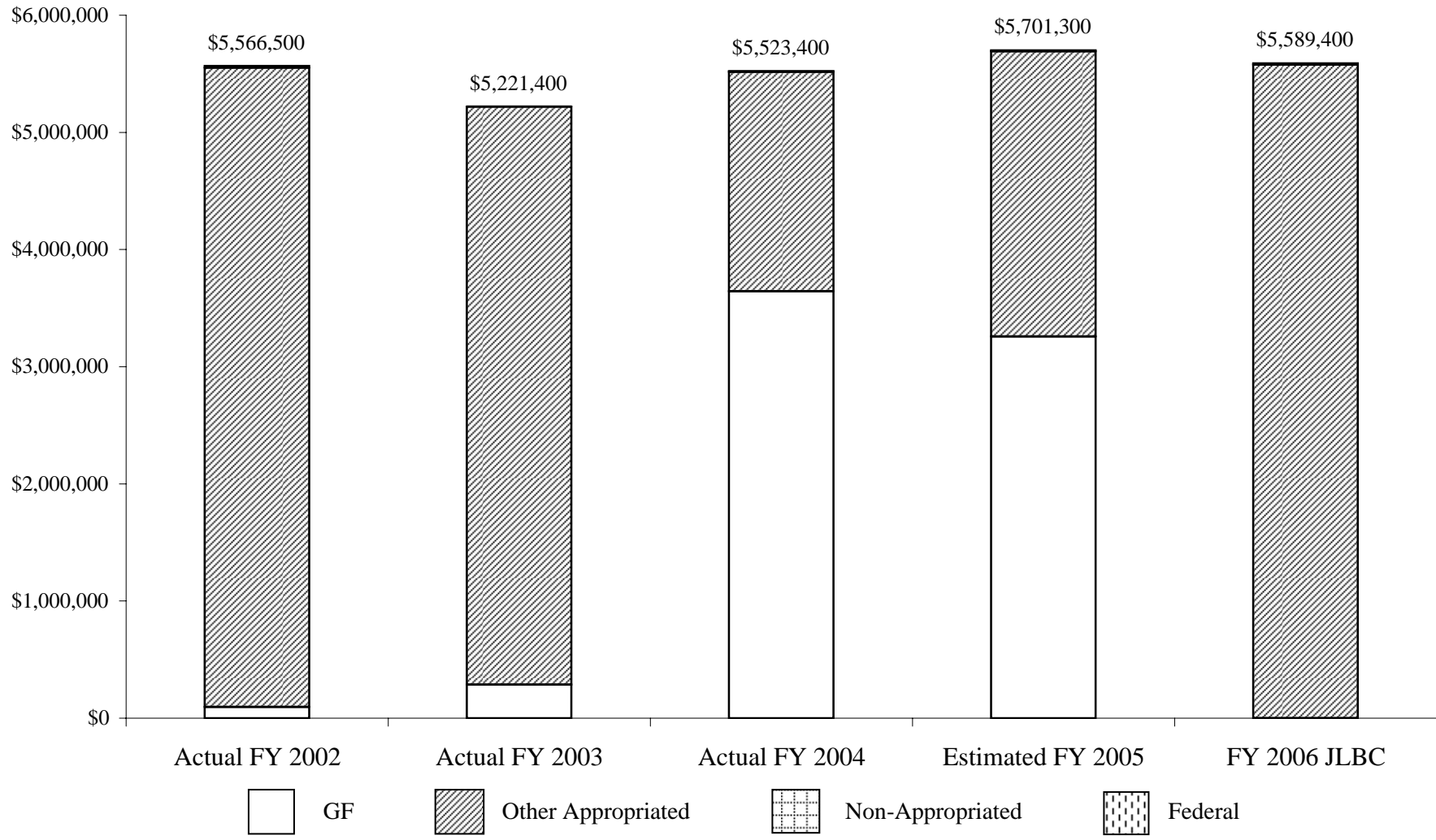
CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
General Fund	(3,257,500)	(100.0%)
Other Appropriated Funds	3,145,600	129.2%
Non Appropriated Funds	0	0.0%
Total - All Sources	(111,900)	(2.0%)

Arizona Pioneers' Home

	FY 2007 OSPB		FY 2007 JLBC			
	General Fund	Other Funds	v	Other Funds	Non-Appropriated	Total
OPERATING BUDGET						
<i>Full Time Equivalent Positions</i>	0.0	0.0	0.0	115.8	0.0	115.8
Personal Services	0	0	0	3,267,400	0	3,267,400
Employee Related Expenditures	0	0	0	1,052,700	0	1,052,700
Professional and Outside Services	0	0	0	129,300	0	129,300
Travel - In State	0	0	0	25,000	0	25,000
Other Operating Expenditures	0	0	0	454,400	10,000	464,400
Food	0	0	0	202,200	0	202,200
Equipment	0	0	0	12,000	0	12,000
OPERATING SUBTOTAL	0	0	0	5,143,000	10,000	5,153,000
SPECIAL LINE ITEMS						
Lump Sum Reduction	0	0	0	0	0	0
Prescription Drugs	0	0	0	436,400	0	436,400
AGENCY TOTAL	0	0	0	5,579,400	10,000	5,589,400
<hr/>						
FUND SOURCES						
General Fund	0		0			0
<u>Other Appropriated Funds</u>						
Miners' Hospital Fund		0		1,357,000		1,357,000
State Charitable Fund		0		4,222,400		4,222,400
SUBTOTAL - Other Appropriated Funds		0		5,579,400		5,579,400
SUBTOTAL - Appropriated Funds		0				5,579,400
<u>Other Non-Appropriated Funds</u>						
Pioneers' Home Fund (Donations)					3,000	3,000
Statewide Employee Recognition Gifts Fund					7,000	7,000
SUBTOTAL - Other Non-Appropriated Funds					10,000	10,000
TOTAL - ALL SOURCES						5,589,400
<hr/>						
CHANGE IN FUNDING SUMMARY						
	FY 2005 to FY 2007 JLBC					
	\$ Change	% Change				
General Fund	(3,257,500)	(100.0%)				
Other Appropriated Funds	3,145,600	129.2%				
Non Appropriated Funds	0	0.0%				
Total - All Sources	(111,900)	(2.0%)				

Arizona Pioneers' Home Total Funds FY 2002 - FY 2006



Attachment C

Line Item Definitions

Standard Budget Line Item Definitions

PROGRAM BUDGET	Summarizes the budget information according to the agency program structure including programs, subprograms, and special line items.
Full-Time Equivalent Positions	The number of authorized positions on a full time equivalent basis. For example, 2 part-time employees each working 20 hours constitute 1 FTE position.
OPERATING BUDGET	
Personal Services	Salaries of FTE positions. Also includes per diem for board and commission members.
Employee Related Expenditures	Represents the cost of employee benefits, including Federal Insurance Contribution Act (FICA) social security and medicare taxes, the employer share of retirement and health insurance, workers' compensation and unemployment insurance premiums, Personnel Division, Information Technology and Retiree Sick Leave charges and uniforms for certain classes of employees.
Professional and Outside Services	Funds the purchase of contracted services from either another state agency or a private entity.
Travel - In State	Funds the cost of state employees' travel while on official business inside the state.
Travel - Out of State	Funds the cost of state employees' travel while on official business outside of the state.
Other Operating Expenditures	Represents other costs of operating a state agency including rent, supplies, and Risk Management premiums.
Food	Funds the cost of providing meals to residents of state facilities.
Equipment	Funds the cost of purchasing any new equipment.
All Other Operating Subtotal	The total of the Professional and Outside Services through Equipment line items.
OPERATING SUBTOTAL	Represents the cumulative total of the Personal Services through Equipment line items. This amount equals the direct operating costs of a state agency. These line items are also called "above the line" expenditures.
SPECIAL LINE ITEMS	Generally represents funds granted to entities or individuals outside of state government. Examples include Basic State Education Aid payments to school districts and payments to AHCCCS health care providers. Special line items are also known as "below the line" expenditures.
AGENCY TOTAL	Represents the total amount of appropriated funds for the agency.
FUND SOURCES	
General Fund	This section displays the source of funds for the Agency or Program Total -- either General Fund or Other Appropriated Funds. The primary revenue sources of the state-sales, income and property taxes -- are not earmarked for a special purpose and are therefore deposited into a general fund, which may be used for any purpose. Other revenues, however, are dedicated for a specific purpose and are set aside in special fund upon collection.
Other Appropriated Funds	
Federal Funds	
Other Non-Appropriated Funds	
TOTAL - ALL SOURCES	

Attachment D

Sample Motion Sheet

Possible Motion Sheet

Arizona Pioneers' Home

Senate Motion

I move the JLBC recommendation in FY 2006 and FY 2007, including any footnotes, format, and performance measures, with the following adjustments:

- Add \$X from the General Fund in both FY 2006 and FY 2007 for 2 new nursing staff positions.
- Delete \$Y from the General Fund and \$Z from the Miners' Hospital Fund in both FY 2006 and FY 2007 in new equipment spending.